



Far East Group Limited
(Company Registration No.:196400096C)
(Incorporated in the Republic of Singapore on 18 March 1964)

**PROPOSED DISPOSAL OF THE PROPERTY AT OFFICE B, 1st FLOOR, TUNG ON COURT,
NO. 17, 19 AND 21 TUNG ON STREET, KOWLOON, HONG KONG**

The Board of Directors (the "**Board**" or the "**Directors**") of Far East Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that Far East Refrigeration Limited ("**Far East HK**"), a wholly-owned subsidiary of the Company, had, on 29 August 2018, entered into a binding agreement (the "**Agreement**") to sell the property located at Office B, 1st Floor, Tung On Court, No. 17, 19 and 21 Tung On Street, Kowloon, Hong Kong (the "**Property**") to China Glory Creation Limited (the "**Purchaser**") at an aggregate sale consideration of HK\$5,360,000 (the "**Consideration**"), and on the terms and subject to the conditions of the Agreement (the "**Proposed Disposal**").

The Purchaser is a company incorporated in Hong Kong and is principally an investment holding company. The Purchaser is an independent and unrelated third party. The Company and its Directors and controlling shareholders are not related to the Purchaser.

The Property consists of an office and a store room with an estimated gross floor area of 876 square feet. At present, the Property is vacant. Based on the Group's latest announced unaudited consolidated financial statements for the half year ended 30 June 2018, the carrying amount of the Property as at 30 June 2018 was approximately S\$93,448 (or equivalent to HK\$538,103 based on an exchange rate of S\$1:HK\$5.758). No independent valuation was conducted on the Property for the purpose of the Proposed Disposal.

The Consideration of HK\$5,360,000 (being approximately S\$930,829 based on an exchange rate of S\$1:HK\$5.758) was arrived at on a willing-buyer and willing-seller basis, after taking into account *inter alia*, prevailing market conditions and the current market prices of the properties in the surrounding vicinity of the Property. Under the terms of the Agreement, the Consideration shall be fully satisfied in cash and payable by the Purchaser to Far East HK in the following manner:

- (i) the sum of HK\$268,000 (the "**Deposit**") has been paid by the Purchaser upon the execution of the Agreement;
- (ii) a further sum of HK\$268,000 is payable by 10 September 2018 upon the execution of the sale and purchase agreement ("**SPA**"); and
- (iii) the balance sum of HK\$4,824,000 is payable upon the completion of the Proposed Disposal.

The salient terms of the Agreement are as follows:

- (i) the SPA in relation to the Proposed Disposal is required to be executed by 10 September 2018;
- (ii) completion of the Proposed Disposal shall take place no later than 30 November 2018;
- (iii) in the event the Purchaser terminates the Agreement, Far East HK shall be entitled to forfeit the Deposit. Thereafter, neither party shall have any claims whatsoever against the other; and

- (iv) in the event Far East HK terminates the Agreement, Far East HK shall refund the Deposit to the Purchaser, pay a sum equivalent to the Deposit as liquidated damages to the Purchaser and pay the stamp duty arising from the Agreement. Thereafter, neither party shall have any claims whatsoever against the other.

The Proposed Disposal is expected to have no material impact on the net tangible assets per share and a positive impact on earnings per share of the Group for the current financial year ending 31 December 2018.

As the relevant relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) do not exceed 5%, the Proposed Disposal constitutes a non-discloseable transaction under Chapter 10 of the Catalist Rules.

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings (if any) in the Company.

A copy of the Agreement is available for inspection during normal office hours at the Company’s registered office at 51 Ubi Avenue 3, Singapore 408858 for three months from the date of this announcement.

By Order of the Board

Loh Mun Yew
Chief Executive Officer and Executive Director
30 August 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor (“**Sponsor**”), SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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